



## INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

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*Fraud Statistics/Convictions Activity*

*November 2010*

### Fraud Statistics

	<u>Month/Nov</u>	<u>YTD</u>
Total Referrals Received.....	71	902
Closed Referrals.....	57	249
Open Cases (Investigations-includes prior years)		206
Assigned Cases (Investigations).....	14	176
Closed Cases (Investigations).....	4	167
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	1	23
Charges (2 felonies, 6 misdemeanors).....	8	124 [71 felonies, 53 misdemeanors]
Convictions (2 felonies, 10 misdemeanors) .....	12	62 [32 felonies, 30 misdemeanors]
Restitution Ordered.....	\$29,921.26	\$1,064,209.28
Investigation Expenses to Division		
Awarded..... \$	4,033.16	8,388.16
Collected..... \$	99.53	6,557.24
Administrative subpoenas issued.....	0	13
Non-licensed individuals.....	0	13
Licensed (active/inactive individuals)....	0	0
Subpoenas Received.....	3	45

## **Convictions Activity**

Jonathan R. Daniels – Between March 2009 and May 2009, while employed for Abner Construction Company, Daniels made and altered three written instruments in the form of forged documents (The American Institute of Architects' bid bond and power of attorney documents). Upon completing the altered/forged documents, Daniels submitted one document to the Morehead-Rowan County Airport Board as proof of a surety in a bid for construction of the new Morehead-Rowan County Airport terminal building, one to the Cynthiana-Harrison County Airport Board as proof of surety in a bid for construction of the new airport terminal facility and aircraft hanger, and one document to the Gateway Health Department as proof of surety in a bid for construction of the new Menifee County Health Department. Daniels was charged with one count of fraudulent insurance acts over \$500 and three counts of forgery, second degree, in Rowan County. He pleaded guilty to the amended charge of complicity fraudulent insurance acts less than \$500 and to three amended charges of forgery, third degree, and was sentenced to 12 months' probation, suspended for two years.

Tod Barhorst – Between March 2009 and May 2009, Tod Barhorst, president and operator of Abner Construction Company, aided and counseled another in planning or committing the offense of forgery, second degree, by providing the means and opportunity to forge three written instruments (The American Institute of Architects' Document A310, Bid Bond). Upon completing the altered/forged documents, one document was submitted to the Morehead-Rowan County Airport Board as proof of a surety in a bid for construction of the new Morehead-Rowan County Airport terminal building, one document was submitted to the Cynthiana-Harrison County Airport Board as proof of surety in a bid for construction of the new airport terminal facility and aircraft hanger, and one document was submitted to the Gateway Health Department as proof of surety in a bid for construction of the new Menifee County Health Department. Barhorst was charged with one count of fraudulent insurance acts over \$500 and three counts of forgery, second degree, in Rowan County. He pleaded guilty to the amended charge of complicity fraudulent insurance acts less than \$500 and to three amended charges of forgery, third degree, and was sentenced to 12 months' probation, suspended for one year.

Kenneth W. Davis, Jr. – On August 24, 2010, Davis presented a fraudulent Commonwealth of Kentucky proof of insurance card to the Clay County Clerk's Office to register a vehicle. Davis was charged with one felony count of fraudulent insurance acts. He pleaded guilty to the amended misdemeanor charge of fraudulent insurance acts and was sentenced to 12 months, probated for two years.

Burnette Little – On or about June 1, 2006, and continuing until on or about June 25, 2008, in Floyd County, Little, along with others, recruited conspirators to participate in a staged automobile collision and made false statements to law enforcement and insurance companies regarding the collision in exchange for a share of the proceeds from insurance claims. Little was charged with one count of conspiracy to commit mail fraud in the United States District Court, Eastern District of Kentucky, Pikeville Division. He pleaded guilty to the charge and was sentenced to three years' probation and must make restitution joint and several with co-defendants to the Republic Insurance Company and Dairyland Insurance Company.

Melissa Gothard – On February 7, 2005, Gothard presented a fake insurance card to a police officer at the scene of a motor vehicle accident. Gothard also presented a fake insurance card to the Jefferson County Clerk's Office on April 2, 2004, to obtain registration for her motor vehicle. She was charged with two felony counts of fraudulent insurance acts. She pleaded guilty to one felony count of fraudulent insurance acts and was sentenced to one year, which was diverted for three years. She agreed to pay \$2,917.16 to the Fraud Division for investigative expenses and \$250 to the victim involved in the motor vehicle accident on February 7, 2005. The second charge was dismissed.